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Administrative – Territorial Reform in Ukraine: Implementation Challenges and Control Mechanism Improvement

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Abstract

The article deals with the possible directions of the administrative-territorial reform in Ukraine in present conditions. The main objective of the study is to develop practical recommendations for carrying out an administrative-territorial reform in Ukraine based on the experience of Western European countries. In this paper the authors applied the method of legal modeling, the prognostic method, which enabled to give scientifically based forecasts on the prospects of the administrative-territorial reform in Ukraine and the implementation of efficient administrative and territorial management. Scientific novelty of the paper includes outlining the essence of the administrative and territorial reform in modern Ukraine, complex and hierarchical national conditions and reform factors. The article also states the necessity of broad decentralization and deconcentration of power, which would enable to stabilize the social situation in the country and to promote the democracy. The undertaken analysis allowed identifying a new form of government, which cannot be considered either unitary or federal. This form of government can be found in Western European countries and is characterized by the indivisibility of the state, which acknowledges local autonomies and implies the most extensive administrative decentralization. The authors propose to improve Ukraine's control mechanisms according to this form of state structure and taking into account the status of the regions. The article makes a distinction between the concepts 'the territorial structure of the state' and 'the administrative-territorial structure of the state', the original author's definitions provided. Practical conclusions and recommendations on carrying out the administrative-territorial reform in Ukraine and proposals for optimization of the control mechanism can be used by Western European countries facing administrative and territorial challenges.

Keywords: Administrative-Territorial Reform, Regional Links, Control Mechanism Improvement, Unitary State, Federal Government, Region, District.

JEL Classification: K23.

Introduction

The administrative and territorial reform in Ukraine can, to a certain extent, overcome the negative trends in social and economic spheres. The article's theme, the goals and objectives of the study aim to understand the results of the reform and find the ways for its improvement.

The modern system of regional development management in Ukraine is chaotic and contradictory, which leads to serious contradictions between the state executive bodies and local authorities, both horizontally and vertically (Motyl 2003). The legal framework of Ukraine, which regulates the formation, dissolution, reorganization of administrative-territorial units, naming and renaming them, does not meet modern requirements, while the legislation of Ukraine does not provide a clear definition of the concept 'an administrative-territorial unit'. This research aims at formulating and proposing some practical recommendations for the administrative-territorial reform in Ukraine. The research objectives include conducting a comparative legal analysis of the legal system concerning the regulation and status of administrative-territorial units in Ukraine and European unitary states, carrying out a comparative analysis of the responsibilities of public authorities and local authorities in Ukraine and some European unitary states; stating the disadvantages of the modern territorial structure of Ukraine and proposing ways to address them.

The issues of administrative-territorial reform and improving the control mechanism in Ukraine have been considered in the papers of many researchers. For example, S.E. Herron, M.E. Thunberg and N. Boyko (2015) discussed the ways to improve the control mechanism in terms of administrative-territorial reform; I.V. Gukalova, S.A. Lisovsky, E.A. Maruniak, K.N. Misevich, L.G. Rudenko and S.V. Ryashchenko (2009) studied socio-economic factors that influence the ongoing reform; I. Khmelko and Y. Pereguda (2014) described the political situation in Ukraine and its impact on the administrative division. Ralph De Haas, M. Djourelouva and E. Nikolova (2016) analyzed Ukraine's practices under reforms, while S. Kudelia (2012) defined prerequisites for the improvement of control mechanism. T. Dohmen, H. Lehmann and N. Pignatti (2016) conducted a comparative analysis of the reforms in Ukraine and Germany, and Vicki L. Hesli (2006) studied the reform of the government machine in present conditions. Despite the fact that many other scholars have researched the administrative-territorial reform in Ukraine and ways to improve the control mechanism, these issues have not been studied thoroughly yet.

It should be noted that the current administrative division of Ukraine does not promote decentralization of power and a resulting increase in its efficiency, whereas the current legislation does not allow improving it according to modern European standards. That is why formulating the directions of the administrative-territorial reform in Ukraine will help stabilize the economic and social situation, both in Ukraine and beyond its borders, since Ukraine plays an important role in the US and Western Europe politics. It should be noted that the issue of the system administrative reform became a global one as early as the 1980s. In each country, the tactics and general directions of reforms had certain characteristics, a specific focus and priorities. However, along with numerous differences in reform programs, reflected in specifics approaches to their development and implementation, it becomes perfectly clear that all the implemented innovations are characterized by some common features which are so obvious that researchers began talking about 'a new era in public administration – the era of administrative reform' (Dohmen *et al.* 2016). Thus, the practical conclusions and recommendations on the administrative-territorial reform in Ukraine and the improvement of control mechanism can also be used by Western European countries facing similar challenges.

1. Method

The subject matter of the study is the administrative-territorial reform in Ukraine. In this research the authors used a systematic approach and methods of structural and functional analysis. In addition to that, the following methods were used:

- methods of collecting and study of instances;
- methods of generalization;
- methods of scientific abstraction;
- methods of regularities finding.

Along with the methods mentioned above the authors also used logical and semantic analysis, which enabled them to have a detailed examination of the contents of the sources of law.

When working on the article, the authors also used a method of legal modeling. The modeling process consisted of three steps:

- (1) problem formulation;
- (2) study of the material and drawing conclusions;
- (3) interpretation (analysis) of the findings and application of the acquired knowledge to the scope of study.

The stage of collection and study of instances involved both the methods of law interpretation to find out the contents of the sources of law and legislative will reflected in legal acts and strictly sociological methods (observation, analysis of written sources, questionnaires). The methodology used in the study allowed the authors to see the law in force as the scope of the research. This methodology focused on reconstructing experience in order to create 'almost infallible' solutions for the administrative-territorial reform in Ukraine by means of:

- (a) legal hermeneutics;
- (b) legal phenomenology;
- (c) legal synergy;
- (d) legal pragmatism.

Within the framework of the legal pragmatism the following methods were the central ones:

- (a) reconstruction of experience;
- (b) hermeneutic circle;
- (c) value reference;
- (d) interpretation.

Theoretical analysis was performed using the methods of abstraction, system analysis, ascent from the abstract to the concrete.

Prognostic method allowed making scientifically based forecasts on the prospects of the administrative-territorial reform in Ukraine and the implementation of efficient administrative and territorial structure.

2. Results

2.1. Special features of Ukraine's territorial structure

Ukraine is a unitary state with the Constitution, and its components do not have the status of a state formation. There is one parliament, one government and one judicial system. The territory of the administrative-territorial units can be changed without the consent of the population by the federal law. The 1996 Constitution enshrined Ukraine's division into 27 territorial units: 24 oblasts (regions), Kiev, Sevastopol and Crimea (Gukalova *et al.* 2009).

The territorial structure of Ukraine is a set of administrative and territorial units (the Autonomous Republic, oblasts, districts, cities, city districts, settlements and villages), which form the territorial structure of Ukraine.

Carrying out the administrative-territorial reform is a necessity since the existing system of administrative-territorial structure of Ukraine does not allow creating territorial communities with sufficient material and financial resources, territory and social infrastructure, required for the effective implementation of the tasks and responsibilities of local governments and delegating authority. The Decree of the President of Ukraine in 1998 stated the main provisions of the Concept of administrative reform in Ukraine, which formed the basis for the public administration reform and approved measures for its implementation. In the following years the concept papers, bills were developed, along with the partial reform of executive authorities (Pirozhkov 2005). In 2015 the Verkhovna Rada adopted a resolution on the Plan of legislative support of reforms in Ukraine (No. 2986). However, no changes at the territorial level aimed at decentralization took place.

The territorial structure of the state possesses a certain stability, which is provided primarily by structural relations. This feature means maintaining stable territorial structure under different impacts on its components. Stability of the territorial system is the basic component of the stability of the state. At the same time, this stability implies certain resistance, immunity to certain measures of administrative-territorial reforms (Glukhov 2005).

When carrying out the administrative-territorial reform, it is necessary to take into account the special features of Ukraine's territorial structure. Formation of the territorial structure is a long process. It means both natural separation of territories, each of them united with its own system of economic, social and cultural ties, transport communications, and in some cases – specific ethnic and religious features of the population, and the measures initiated by the authorities dealing with the territory structuring, its organization in order to improve the management system (Gnilorybov 2005).

The territorial structure of Ukraine demonstrates a set of systemic features: structure, the impact on the system behavior by the behavior of its individual elements and properties of its structure; close relationships of the system and the external environment; hierarchy where each component may be seen by the system, and each system, in turn – as part of a larger system.

The territorial structure of Ukraine is based on public authority relations (state or local government). Backbone of the territorial system is formed by the functional elements (structural centers, control units), united by relationships between the power subjects of higher and lower levels (D'Anieri 1999). The territorial structure determines the economic structure of the state, the development of relationships between economic entities, settlement systems, social infrastructure, as well as systems of numerous non-governmental organizations. Thus, changes in the territorial structure will lead to changes in all other systems of the state.

At the present moment the territorial structure became an important factor in the territorial organization of the social and economic spheres of the state. In the context of an extremely fast economic development, heavily dependent on unstable global economic conditions, the essence of the economic expediency principle has changed. It does not imply drawing boundaries of administrative-territorial units in accordance with the established areas and centers of economic activity, but uniting certain territories into one administrative-territorial (administrative) unit, and creating the most favorable socio-economic environment within it.

Implementation of the administrative-territorial reform should consider a territorial unit's feature which researchers call 'the limited impact of the reform' (Dohmen *et al.* 2016). This feature results from the fact that the territorial structure of the state is a relatively conservative system with a very limited number of parameters that can be changed revolutionarily. The territorial reform by its nature is a complex influence on the state structure as a whole, and changes in the territorial structure of the state occurring due to this impact do not play a primary role, but only serve as a pretext or a catalyst for changes, which the reforms were actually aimed at. Thus, transforming the territorial unit occurs parallel to overcoming the resistance of the entire target system of public institutions and domestic relations.

Most European countries, for example, Poland, Sweden, and Denmark, held a successful reform of administrative-territorial and local governments. In Ukraine, the territorial-administrative reform is carried out on the basis of the European countries experience. In this regard the Nationwide Program for Adaptation of Ukrainian Legislation to the European Union Legislation (LU 1629-IV, 2004) and the Law of Ukraine 'On Ratification of Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part' (LU 1678-VII, 2014).

The administrative-territorial reform is carried out on the basis of certain concepts that should be clarified. According to some experts, the administrative-territorial division is 'an internal division of the territory of the state in the administrative-territorial units to ensure the efficient organization of the state and public management of the regions, the national economy, and the overall political and cultural life' (Wright, 1994).

An administrative-territorial unit is 'a part of the country's unified territory that is the spatial basis for the organization and activities of local government bodies and local authorities' (Arel 2005). According to the geographical criterion, administrative and territorial units of Ukraine are divided into regions and places of settlement (Khmelko and Pereguda 2014).

We consider it possible to improve the definitions and distinguish between the concepts of administrative-territorial structure of the state and the territorial structure of the state, this approach being based on the author's interpretation. Defining the territorial structure of the state, many researchers emphasized the ethnic composition of the population and explained it with the right to national self-determination (Zhukov 2016). Geographical and historical factors are even more important when determining the territorial structure of the state (Kudelia 2012), and they lay the basis for the central government and local governments formation. Economic factors determine the central authorities' policy towards the region, its financing, budget planning, accounting for investments, etc. Thus, the territorial structure of the state is the organization of the state territory determined by the national composition of the population, economic, geographic and historical factors, which is the basis for building the system of local governments and formation of local authorities.

The administrative-territorial structure of the state is comprised of certain elements – the administrative-territorial units, that is why the administrative-territorial structure of the state is an element of the territorial structure which is a system including the territory components of the administrative-territorial units. This enables the formation of public authorities and local governments.

2.2. The Principles of Administrative-Territorial Reform in Ukraine

Development of practical recommendations for the administrative-territorial reform in Ukraine should be carried out through a comprehensive comparative legal analysis of the constitutional and legal basis of territorial division of Ukraine and European unitary states. The administrative-territorial reform in Ukraine is conducted according to the following principles:

The economic principle implies taking into account economic, natural and historic conditions of regional development (primarily economic zoning), which allows using favorable opportunities for a harmonious combination of economic and administrative boundaries.

The organizational principle aims to ensure the smallest distance between the territorial authorities and management to population and economy, the consistent work on promoting real democracy, local self-governments, creating conditions for people's active participation in the management of the state and social life.

The social principle deals with the full satisfaction of social needs, as well as cultural and social needs of the population.

The centrist principle is the implementation and strengthening of the leading role of towns and urban-type settlements, for which purpose they are given the status of administrative centers.

The principle of national culture implies taking into account the national composition as well as cultural and lifestyle characteristics of the population. This manifests itself in creating national entities, representing the interests of all ethnic groups that live in the area, while maintaining the unity, integrity and inviolability of the territory of the state.

Ukraine's development as a democratic state of law occurs with its territorial structure characterized by a number of weak points, among which are the following:

- high centralization of the vertical power structure;
- low level of public services provided to people;
- lack of necessary resources to ensure efficient functioning of local governments;
- clash of responsibilities of local executive bodies and local authorities.

The main directions of the administrative-territorial reform are developed by the Ukrainian government. In September, 2014 the President of Ukraine presented the Ukraine-2020 Strategy for Sustainable Development (Decree 5/2015, 2015). This document contains the list of 62 necessary reforms, as well as 25 key performance indicators, including the directions of the administrative-territorial reform (see Figure 1).

Figure 1. Directions of administrative-territorial reform in Ukraine



Lawmakers proposed various options of the administrative-territorial reform, for example, they developed the bill 'On Territorial Arrangement of Ukraine' (DLU No. 4182, 2009) which provides for decentralization and consolidation of regions (Dohmen *et al.* 2016). Some lawmakers proposed to introduce the concepts of 'the district-city' and 'region-city' and formalize them in legislation (Shevel 2015). It was suggested to use Finnish practices. Finland has a simple and effective model: the state – the region.

There were active debates concerning the issue whether the reform should involve a substantial change in the number of regions and their boundaries, and whether the number of existing regions should be expanded with new region-cities of Donetsk, Dnepropetrovsk, Zaporozhye, Odessa, Lviv and Kharkiv, which would increase the number of regions to 33. In addition, there were debates on granting Krivoy Rog with the status of a region-city.

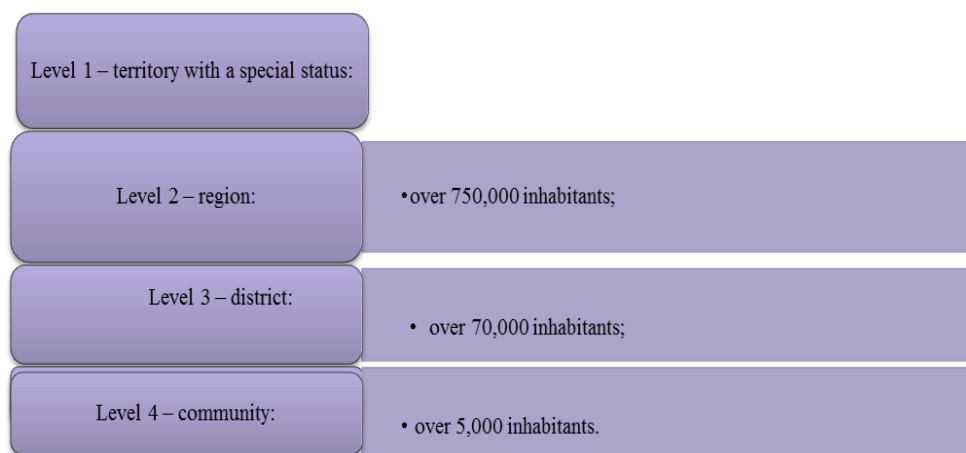
According to the bill, the reform aims to promote setting European standards in the administrative-territorial structure of the country, as well as decentralization of government control, making it more accessible by every citizen, and provide the amount and quality of public services in accordance with national social standards.

In the current conditions conducting the territorial-administrative reform in Ukraine would involve consolidation of regions. Seven administrative-territorial formations would be created instead of 27 territorial units. According to scientists, it is this model of territorial reform that could build a strong vertical structure of executive power, consolidate monetary and financial resources, considerably reduce bureaucracy and, as a result, the degree and volume of today's corruption. This territorial optimization would significantly increase the intensity and strength of intra-regional links, significantly reduce the number of depressed regions; what's more, it would lessen the gaps in socio-economic development of different regions.

Efficient administrative-territorial structure of the state is a prerequisite for effective social and economic development, national integration and the improvement of well-being of the people.

Decentralization processes can be dealt with by enlarging the regions and introducing the four-level administrative-territorial structure where the first level marks territories with a special status (see Figure 2).

Figure 2. Levels of administrative-territorial structure of Ukraine



When carrying out the administrative-territorial reform in Ukraine, it would be appropriate to establish a special-purpose state fund that would be formed both by the state budget and the sale of property and premises of government agencies that were liquidated. Some of these funds could be used to create new jobs for the employees of public institutions who lost their jobs during the reform.

The number of population and other clients should correlate with industry load norms on budgetary institutions and budget financing of these institutions in accordance with the norms proposed in the law 'On Amendments to the Budget Code of Ukraine (concerning the reform of intergovernmental fiscal relations)' (Codex of July 08, 2010 No. 2456-VI Ed. on February 13, 2016).

2.3. Administrative Decentralization as the Basis for the Development of Local Government

According to the Constitution of Ukraine (Article 140), local self-governance is a community's right of village residents or residents of several villages, settlements and cities voluntary uniting in a village community to take decisions concerning local issues within the Constitution and Ukraine's legislation.

Carrying out the reform of local government requires not only changing the election procedure but also the decentralization of the budget and strengthening of local communities. The successful reformation demands the development of a mechanism which could enable to build an effective and mutually beneficial cooperation between the regions and the center (Hesli 2006).

Local self-governance is restricted to elections to certain councils of different levels, but these power structures, as a rule, do not have their own funds. What's more, regions and districts must annually discuss their budget with the government in Kiev. The local governments of the lowest level have to negotiate with the district authorities.

In addition, local governments often do not have their own municipal property, they can only use it. If they want to sell the property or change its purpose, it turns out to be impossible since this property does not belong to them.

Experts proposed to restore proper local self-governance at regional and subregional levels, to create executive authorities in regional and district councils, limiting the powers in the field of socio-economic and cultural development of the territories (Svarin 2016). However, lawmakers did not support these proposals and believed that Ukraine should adopt French experience where local self-governance is formal, and there is a prefect (government official) at the head of each district (Shveda and Ho Park 2016). The prefect is to be appointed by the President upon recommendation of the Government. The main function of the prefect is the control over the work of local governments.

Researchers note that Ukraine has a greater atomism of local governments. At the primary level, i.e. the community level (the Polish equivalent of gminas), there are 12 thousand councils, whereas, for example, Poland has 2.5 thousand gminas (Herron *et al.* 2015). As a result, some of these 12 thousand communities count several hundred people. Some of these communities are former collective farms and state farms – home to a small number of people, but which at present time have formed their own self-governing bodies. These councils cannot perform public functions, which are de facto carried out by the administration. Viable territorial communities are created by voluntary unions of small territorial communities of villages, settlements and cities. The Verkhovna Rada adopted the Law No. 0915 of May 03, 2015 'On Voluntary Association of Communities' (as amended by the Laws of Ukraine of April 09, 2015 No. 676-VIII, November 26, 2015 No. 835-VIII, December 25, 2015 No. 925 -VIII). The Law provides for the following sequence of its implementation: approval of methods for forming local communities, Perspective plan of region communities' territory formation, and formation of local governments of territorial communities. Communities should be given power to solve the majority of issues dealing with social development and citizens' living not only within the settlements, but also beyond them. Regional councils should operate at the district and regional levels which, by contrast with the current district and regional councils, will create executive committees to address common issues of territorial communities within the district and the region. The reform will eliminate district and regional administrations – the executive authorities exercising power on behalf of the state. Their powers will be divided between the district and regional councils, as well as between the councils of viable territorial communities.

The situation when the councils do not have their own executive power and use it only within territorial public administration which is subordinate to the President of the state leads, for instance, to problems in energy sector. Economists estimated that if the energy use per GDP unit in Ukraine equaled the one of the European Union or even exceeded it by 50%, then Ukraine could do without import from Russia because domestic production would be able to satisfy the country's needs (Wilson, 2005). We can propose a solution to this problem, drawing on the experience of Poland. In that country, according to the European Charter of Local and Regional Authorities, each structure (gmina, powiat, województwo) is endowed with its own powers. The laws concerning self-governance outline the powers in general terms. However, a detailed distribution of self-government functions is provided by the laws on powers where each industry law determines which level of government should exercise these powers. Conducting the reform of self-governance it is necessary to review all industry laws, as well as each article stating the powers of the authorities to ensure the complete legal separation of powers.

3. Discussion

The territorial structure of the state is a system of relations between the state as a whole and its elements (Dyczok 2000). There are several models of the territorial structure of the state – a federation and a unitary state, while a confederation is not a unified state. Ukraine is a unitary state, which until recently could enjoy all benefits of this type of structure. Increasing complexity of the relationships between the state as a whole and its parts in favor of the latter is always a compromise that at some point enables to save the integrity of the state. Weakening of the center like in Ukraine, – for whatever reasons may it be – starts centrifugal processes, and in these circumstances, to keep the balance, it is necessary to consider the situation and to determine the status of the territories through concessions and compromises. The state should draw on the experience of Western countries, for example, some provisions of India's Constitution are applied to all but one of the 27 states – Jammu and Kashmir with its ever-going geographical conflicts – without a special decision, approved by the state's government. None of Indian states has its own constitution and

citizenship, except for the state of Jammu and Kashmir. At the same time India is a federal state (Bański and Mazur 2016). In unitary Italy, on the contrary, twenty regions have full political autonomy.

Consolidation of most states in Europe occurred through uniting of small feudal states, with the former states transforming into territorial units of a new larger state. Later, many of them ceased to be government units, such as, for example, Piedmont in Italy or Wallachia in Romania, while others retained certain state features (for example, Bavaria in Germany, Sicily in Italy) (Antonescu 2015). This illustrates how a territorial autonomy was forming in the historical context, i.e. a territorial unit reaching a certain degree of independence.

It is believed that the status of its territorial units is the main difference between a federation and a unitary state. In a federation the subjects are state-like formations, due to which it is necessary to determine the distribution of power between the federation and the subjects at the federal level. In a unitary state, the responsibilities of territorial units, their boundaries, etc. are determined by the central government. However, as it was already mentioned, in Italy the difference between federal and unitary forms is lessened: territorial units actually enjoy state autonomy. Another reason to describe Italy as a unitary state (in addition the Constitution directly stating this) is the fact that the charters (statutes) are approved by the Parliament acts (Faludi 2009). As opposed to this, in federations the subjects tend to be independent in enacting their own Constitution or Statutes. That is why in a situation when the center strongly insists on a unitary state structure, whereas the regions demand the federation, the experience of constitutional regulation of political autonomy in Italy appears so highly-relevant for Ukraine.

Italy has a three-level administrative-territorial division: first, the territory of the state is divided into 20 regions, then each region – into 110 provinces, and provinces (they can be divided into municipalities only for performing administrative functions ‘aimed at further decentralization’ (Article 129 of Italy’s Constitution) – into municipalities. The Constitution (Article 131) mentions all of these 20 regions, which is more typical of federal states. This emphasizes the importance of their status (a feature also characteristic for the subjects of the federation, not for parts of a unitary state). It is not a special law, but the Italy’s Constitution, which states the status of the regions. The regions are set up as autonomous entities with their own rights and responsibilities in accordance with the principles established in the Constitution (Article 115) (Riabchuk 2004). In Ukraine, cities of regional significance and settlements with the status of regional centers may become administrative centers. What’s more, villages, settlements, and cities that historically held the status of regional centers and are located more than 20 km away from cities of regional significance and regional centers can also become administrative centers.

Thus, we can conclude that it is possible to use Italy’s experience when developing the administrative and territorial structure in modern Ukraine. A unitary state consisting of autonomous regions with extensive powers, designed according to the Italian type, may turn out to be an alternative to the federal structure.

The administrative-territorial reform is an integral part of decentralization. Decentralization implies the transfer of both authority (tasks and resources) and public finances control from the central (national) government to regional and local self-government bodies which are fully responsible for their scope of functions and are accountable for them. However, local and regional authorities should not be subordinate to the central government, but should be able to act completely independently, being subjects to state legislative control. Decentralization consists of three components. The first one is separation of powers between the state and local self-government. In 2014, the Concept of the reform of the local self-government and territorial organization of power was adopted (Order 333-r, 2014).

The second component of decentralization involves creating the basis for local self-governance and executive power, while the third one deals with fiscal decentralization or redistribution of resources to local authorities allowing them to exercise their powers.

In addition, the global practices provide politicians with a wide range of very different types of autonomies. These include, for example, personal, corporate or territorial ones (Wanner 1998). The national personal autonomy is created for scattered ethnic groups or national minorities – for example, in Austria and Hungary. The very idea of the autonomy is expressed through the creation of certain organizations that deal with cultural and lifestyle issues, and at the same time take part in state management in an advisory capacity in the relevant government agencies.

The corporate autonomy aims to ensure the interests of linguistic communities – this includes teaching in schools, conducting a trial and other official procedures in people’s native language. In this case, public officials must know the local language, along with the state one. An example of this kind of autonomy may be found in communities in some states of India (Antonescu 2015). The territorial autonomy is represented by two types: national territorial and national cultural ones. The national-territorial autonomy is created for communities of non-indigenous population or population with specific lifestyle, culture and traditions – even living on an island, like the Azores in Portugal. The cultural-national autonomy forms in countries with scattered ethnic groups and nationalities. This form of autonomy is prevalent in the Nordic countries – Finland, Sweden and Norway. Thus, we can find numerous models of the territorial structure of the state, which may be applicable in Ukraine.

Conclusion

Comparative legal analysis of the administrative-territorial reforms carried out in foreign countries let us describe a new form of a state structure which can be considered neither unitary nor federal. This state structure is used in Western European countries and is characterized by indivisibility of the state which, at the same time, recognizes local autonomies, facilitates their development, promotes the most extensive administrative decentralization in bodies dependent on the state and adapts principles and methods applied in its legislation to such a decentralized system.

When carrying out the administrative-territorial reform in Ukraine, it is necessary to take into account the experience of Western Europe, where along with the unitary state structure the regions demand some federation features, and as a result, a mixed state structure is used.

- (1) It is necessary to define and make a distinction between the concepts of 'the territorial structure of the state' and 'the administrative-territorial structure of the state'. The territorial structure of the state is the result of the national composition of the population, economic, geographic and historical factors forming the territory of the state, which is the basis for building the system of local government bodies and formation of local authorities.
- (2) The administrative-territorial structure of the state is an element of the territorial structure, that is a system including parts of the territory of the administrative-territorial units, acting as the basis for formation of public authorities and local governments.
- (3) Carrying out the administrative-territorial reform in Ukraine, it seems viable to enlarge the regions and instead of twenty-seven elements create seven administrative-territorial formations, to introduce four levels of administrative-territorial structure: Level 1 – territory with a special status; Level 2 – region: over 750,000 inhabitants; Level 3 – district: over 70,000 inhabitants; Level 4 – community: over 5,000 inhabitants.

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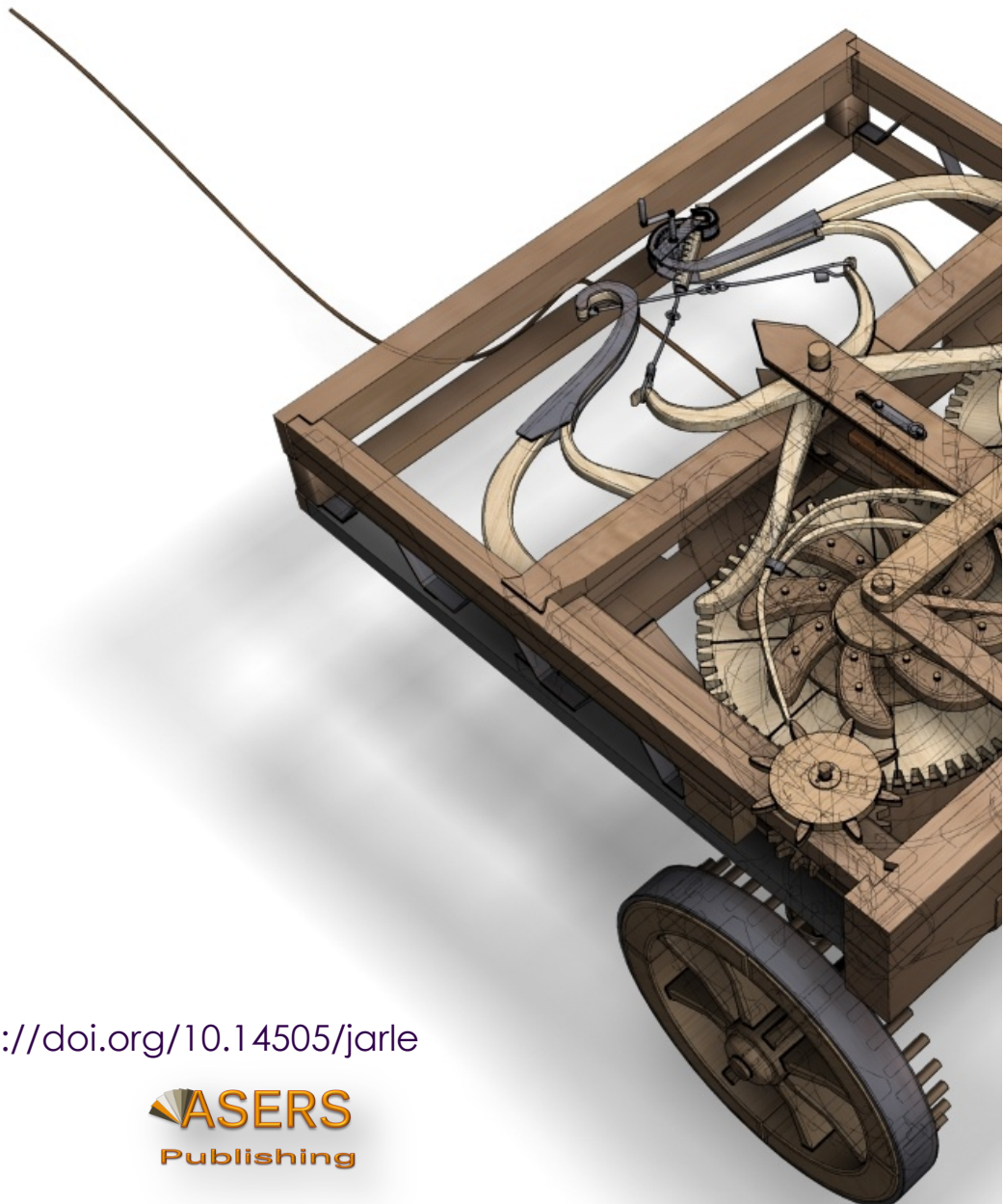
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Contents:

1	The Efficiency of Special Knowledge in Criminal Proceeding Elvira Abdikapbarovna Alimova ... 964	6	Strategic Personnel Management within Innovational Development of Companies Elena I. Danilina, Zhanna A. Mingaleva and Yana I. Malikova ... 1004
2	Criminal Policy against Economic Offenses in Kazakhstan Botagoz A. Amanzholova, Gulmira S. Bazarova, Aigul M. Kalguzhinova and Zhanna B. Ualieva ... 972	7	From Communist Regime to Liberal Democracy: The Evolution of the Legal System in Lithuania Olga Ivanivna Demenko, Jolanta Bieliauskaitė, Vytautas Šlapkauskas and Milda Vainiūtė ... 1014
3	Covert Surveillance in the Structural Elements of the Criminally-Remedial Averment Bakhytzhan K. Amirkhanov ... 982	8	Particularities of Legal Regulation and Harmonization of Proprietary Rights Legislation in the RSA, Brazil and China Mihail Nikolaevich Dudin, Evgenia Evgenevna Frolova, Ksenia Michailovna Belikova and Natalia Vladimirovna Badaeva ... 1026
4	Authorization of the Barring Order by the Investigating Judge: Problems of Legislative Regulation Aidar Bakyt ... 989	9	The Nature of the Contract of Life Insurance Agency after Enactment of the Act Number 40 of 2014 on Insurance Mokhammad Khoirul Huda, Niniis Nugraheni and Kamarudin Komar ... 1037
5	Dialectics and Logics in Forensic Enquiry of Construction Facilities Andrey Yurievich Butyrin and Ekaterina Borisovna Stativa ... 995	10	Foreign Relations of Kazakhstan in the Regional and Global Context: Security and Economic Aspects Zarina Kakenova, Houman Sadri, Galina Kakenova, Amirzhan Alpeissov and Gulnara Ibragimova ... 1042

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Germany

11 **Public Administration of Social Security in the Republic of Kazakhstan**

Alipasha Agahanovich Karayev,
Aizhan Mukhtarova,
Yerazak Manapovich Tileubergenov,
Aliya Kassymbek, and
Zhanna Amangeldinovna Khamzina ... 1051
**Strategic Priorities and Challenges of
Environmental Management in Kazakhstan**

12 **Zatira Karbetova, Sholpan Karbetova, Karlygash Otyzbayeva, Adaskhan Daribayeva, Zhanar Dulatbekova and Karlygash Tastanbekova ... 1058**

13 **Forecasting the Economic Demand for Occupational Education**
Oleg A. Kosorukov ... 1066

14 **Influence of Fiscal and Monetary Policy of Kazakhstan on Modernization and Economic Growth in the Conditions of Globalization**
Nurilya Kuchukova, Mereke Turarbekov
and Assiya Agumbayeva ... 1086

15 **Islamic Banking and Financial System in Kazakhstan**
Diana V. Kulibayeva
and Zhanat B. Kazbekova ... 1096

16 **A Review of Problems in Legal Interpreting**
Olga A. Lysenko
and Oleg M. Barbakov ... 1103

17 **Best Practice Principles for Business Incubators: A Comparison between South Africa and the Netherlands**
Natanya Meyer,
Daniel Francois Meyer
and Sebastian Kot ... 1110

18 **The Experience of Foreign Countries in the Monetary System Development**
Yerkenazym D. Orynbassarova
and Yerkebulan S. Karibaev ... 1118

19 **The Possible Consequences of Accession of Kazakhstan to the World Trade Organization**
Assemgul Rakhimbayeva,
Diana Madiyarova,
Tatiana Blokhina
and Beibit Korabayev ... 1127

20 **Difficulties of Differentiating between Intellectual Property Rights and Human Rights on the Basis of the Case-Law Research Report 'Internet: Case-Law of the European Court of Human Rights'**
Marina Alexandrovna Rozhkova ... 1136

21 **Currency Regulation in the Republic of Kazakhstan in the Context of Integration**
Anelya K. Saulembekova,
Akylbek A. Ilyas,
Raikhan U. Smagulova
and Eric B. Bakhyt ... 1142

22 **Economic and Environmental Approaches to Developing a System of Integrated Water Resources Management in the Kuyalnik Estuary Basin**
Mykolai G. Serbov ... 1153

23 **Administrative – Territorial Reform in Ukraine: Implementation Challenges and Control Mechanism Improvement**
Roman Vladimirovich Shapoval,
Elena Viktorovna Vits'ko,
Olga Ivanovna Demenko,
and Kristina Vladimirovna Solntseva

24 **Possible Impacts of Distrainer's Agents Territoriality**
Luboš Smrčka,
Dagmar Čámská
and Jan Plaček ... 1170

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25 The Procedural Model of Criminal Prosecution in the Modern Criminal Procedure Legislation of the Republic of Kazakhstan

Nurbolat Sultanov ... 1179

26 State Property Management in the Republic of Kazakhstan

Binur Adamovna Taitorina,
Aigerim Zhaksylykovna Zharbolova,
Sabyrzhan Malievich Zhapakov,
Moldir Sadibekova,
Zhanar Toleubekovna Karasheva,
Yermek Abiltayevich Buribayev ... 1187

27 Differentiating Role of Agro-Climatic Conditions in the Development of Grain Farming in the Region

Lyudmila S. Tarshilova, Aizhan J. Ibyzhanova,
Zhanar K. Yerzhanova, Akylbek U. Sultanov
and Zinat K. Amangalieva ... 1193

28 The Role of Human Capital in Innovative Economic Development

Dametken M. Turekulova,
Lyazzat K. Mukhambetova,
Rimma G. Satkanova, Gulnara T. Lesbayeva,
Nazigul N. Zhanakova
and Zhanna Sadu ... 1207

29 Transformation to Ideas of Investments as Economic Category

Asiya N. Turekulova,
Dametken M. Turekulova,
Lyazzat K. Muhambetova,
Gulnar K. Baybasheva
and Nurzhamal Zh. Kurmankulova ... 1218

30 The Role of Transaction Costs in Risk Management of Investment Projects

Natalya V. Usmanova
and Nina A. Orlova ... 1226

31 Turkey's Environmental Legislation: Formation and Development Characteristics

Mustafa Zhanbaz ... 1234

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Volume VII, Issue 7(21), Winter 2016

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